

"Tax Matters Agreement" means the Tax Matters Agreement by and among Parent and LMC, attached as Exhibit A-I hereto.

"Tax Opinions" means the Parent Tax Opinion and the LMC Tax Opinion.

"Tax Opinion Representations" means the LMC Tax Opinion Representations and the Parent Tax Opinion Representations.

"Tax Returns" means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, amended Tax Return, claim for refund or declaration of estimated Tax) required to be supplied to, or filed with, a Taxing Authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

"Taxing Authority" shall have the meaning given to such term in the Tax Matters Agreement.

"Tax Sharing Agreement" shall have the meaning given to such term in the Tax Matters Agreement.

"Technical Services Agreement" means the agreement relating to the provision of uplink, engineering and other services identified therein by and among Fox Sports Net, Inc. and each of the RSN Subsidiaries.

"Transactions" means the transactions contemplated hereby and each of the Ancillary Agreements, including the Exchange and the Parent Restructuring.

"Transferred Employees" means the individuals listed on Section 1.1 of the Parent Disclosure Letter (which section of the Disclosure Letter shall be updated as of the Closing Date to reflect individuals hired following the date hereof and prior to the Closing Date in compliance with Section 6.2 hereof, *provided, however* that any individual listed on Section 1.1.1(a) of the Parent Disclosure Letter as of the Closing Date whose employment with any Transferred Subsidiary terminates in the ordinary course of business following the date hereof and prior to the Closing Date shall not be deemed to be a "Transferred Employee").

"Transferred Subsidiaries" means, collectively, Splitco and each RSN Subsidiary.

"Transitional Services Agreement" means the agreement relating to the provision of corporate transitional services identified therein by and among Fox Sports Net, Inc. and each of the RSN Subsidiaries.

"Treasury Regulations" mean the regulations promulgated under the Code.

"WARN Act" means the Worker Adjustment and Retraining Notification Act and any similar state or local Law of any jurisdiction in the United States of America.

"Webpage Services Agreement" means the agreement relating to the provision of website management and other information technology services identified therein by and among Fox Interactive Media, Inc. and each of the RSN Subsidiaries.

Section 1.2. Terms Defined in Other Sections. The following terms are defined elsewhere in this Agreement in the following Sections:

Ancillary Agreements	Recitals
Affiliate Transaction Agreement	Section 4.21
Broker	Preamble
Broker Fees	Section 4.22
Business Records	Section 4.22
Closing	Section 6.9.3
Closing Certificates	Section 3.2
Closing Date	Section 3.4.3
Collective Bargaining Agreement	Section 3.2
Conclusive Net Working Capital Statement	Section 4.14.1
Controlled Group Liability	Section 3.9.3
Disinterested Stockholder Approval	Section 4.12.2
Disputed Items	Section 6.4.1
Employee Benefit Plan	Section 3.9.2
Employment Agreement	Section 4.12.1
ERISA Affiliate	Section 4.12.1
Estimated Net Working Capital	Section 4.12.2
Estimated Net Working Capital Deficiency Amount	Section 3.8.1
Estimated Net Working Capital Excess Amount	Section 3.8.2
Exchange	Section 3.8.2
Exchange Rulings	Section 3.1
Extended Termination Date	Section 7.2.4
Extraordinary Transaction	Section 9.1.2
FCC Applications	Section 6.13.2
Final Net Working Capital Deficiency Amount	Section 6.6.3
Final Net Working Capital Excess Amount	Section 3.9.4
HSR Act	Section 3.9.4
Indemnified Party	Section 4.5.4
Indemnifying Party	Section 8.3.1
I. Acquisition Proposal	Section 8.3.1
Licensed Intellectual Property	Section 6.13.2
LMC	Section 4.8.2
LMC Exchange Ruling	Preamble
LMC Related Party	Section 7.2.4
LMC Ruling	Section 10.5
Material Contracts	Section 7.2.4
Net Working Capital Statement	Section 4.13
Neutral Arbitrator	Section 3.9.1
Owned Intellectual Property	Section 3.9.3
	Section 4.8.1

Parent	Preamble
Parent Acquisition Proposal	Section 6.13.1
Parent Change in Recommendation	Section 6.4.1
Parent Exchange Ruling	Section 7.2.4
Parent Group	Section 4.20.5
Parent Recommendation	Section 6.4.1
Parent Restructuring Date	Section 3.7
Parent Restructuring Ruling	Section 7.3.5
Parent Stockholder Approval	Section 4.4
Parent Stockholders' Meeting	Section 6.5
Permits	Section 4.16
Proxy Statement	Section 6.4.1
Records	Section 6.9.3
Representatives	Section 6.13.1
Requisite Parent Stockholder Approval	Section 6.4.1
Resolution Period	Section 3.9.2
Seller Disability Plans	Section 6.10.2
Settlement	Section 6.6.5
Splitco	Recitals
Subsidiary Employee Benefit Plan	Section 4.12.1
Termination Date	Section 9.1.2
Termination Fee	Section 9.2.2
Transfer	Section 6.8.1
Transferred Business	Recitals

ARTICLE II.

INTERPRETATION

Section 2.1. Interpretation. Unless otherwise indicated to the contrary in this Agreement by the context or use thereof: (a) the words, "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole and not to any particular Section or paragraph hereof; (b) words importing the masculine gender shall also include the feminine and neutral genders, and vice versa; (c) words importing the singular shall also include the plural, and vice versa; and (d) the word "including" means "including without limitation"; and (e) the words "as of the date hereof" means "as of the date of this Agreement."

ARTICLE III.

EXCHANGE OF STOCK; CLOSING

Section 3.1. Exchange of Stock. Upon the terms and subject to the conditions of this Agreement, at the Closing, (a) Parent shall assign, transfer, convey and deliver to the Stockholders (in accordance with instructions relating to allocation of such shares provided by LMC to Parent no later than three (3) Business Days prior to the Closing Date) and LMC shall cause the Stockholders to accept and acquire from Parent, all of the Splitco Shares (free and clear

of all Securities Encumbrances) in exchange for the LMC Parent Shares, and (b) LMC shall cause the Stockholders to assign, transfer, convey and deliver to Parent, and Parent shall accept and acquire from the Stockholders, the LMC Parent Shares (free and clear of all Securities Encumbrances) in exchange for the Splitco Shares (collectively, the "Exchange").

Section 3.2. Closing. The closing of the Exchange and the other transactions contemplated hereby (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York, as soon as practicable, but in no event later than three (3) Business Days after the satisfaction or waiver of the conditions set forth in Article VII (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to the satisfaction or waiver of such conditions at the Closing), or at such other place or on such other date as Parent and LMC may mutually agree. The date upon which the Closing shall be effective is referred to herein as the "Closing Date."

Section 3.3. Parent's Deliveries at the Closing. At the Closing, Parent shall deliver or cause to be delivered to LMC or the Stockholders, as applicable, the following:

- 3.3.1 one or more stock certificates, together with stock powers executed in blank, representing all of the issued and outstanding capital stock of Splitco;
- 3.3.2 the stock books, stock ledgers and minute books of each of the Transferred Subsidiaries;
- 3.3.3 each of the Ancillary Agreements (other than the Tax Matters Agreement which shall be executed and delivered concurrently with this Agreement) duly executed by Parent and any of its Affiliates party thereto;
- 3.3.4 letters of resignation, dated as of the Closing Date, from (i) each of the directors and officers of Splitco and each RSN Subsidiary and (ii) each of K. Rupert Murdoch, David DeVoe and Peter Chernin from the Board of Directors of DTV;
- 3.3.5 a certificate of an authorized officer of Parent pursuant to Sections 7.2.1 and 7.2.2 hereof; and
- 3.3.6 such other documents as are reasonably required by LMC to be delivered to effectuate the Transactions or to evidence the authority, existence and good standing of Parent and its relevant Subsidiaries, including evidence of the possession by Splitco of the Cash Amount; *provided* that LMC shall use its reasonable best efforts to identify such documents to Parent in writing reasonably in advance of the anticipated Closing Date.

Section 3.4. LMC's Deliveries at the Closing. At the Closing, LMC shall deliver or cause to be delivered to Parent the following:

- 3.4.1 one or more stock certificates, together with stock powers executed in blank, representing the LMC Parent Shares owned by the Stockholders, or a confirmation from Parent's transfer agent, Computershare Investor Services, LLC, of a book-entry transfer of the LMC Parent Shares to Parent;

- 3.4.2 each of the Ancillary Agreements to which LMC and any of its Affiliates are party (other than the Tax Matters Agreement which shall be executed and delivered concurrently with this Agreement) duly executed by LMC and any of its Affiliates party thereto;
- 3.4.3 a certificate of an authorized officer of LMC pursuant to Sections 7.3.1 and 7.3.2 hereof (together with the certificate delivered pursuant to Section 3.3.5 hereof, the "Closing Certificates"); and
- 3.4.4 such other documents as are reasonably required by Parent to be delivered to effectuate the Transactions or to evidence the authority, existence and good standing of LMC and its relevant Subsidiaries; *provided* that Parent shall use its reasonable best efforts to identify such documents to LMC in writing reasonably in advance of the anticipated Closing Date.

Each document of transfer or assumption referred to in this Article III (or in any related definition set forth in Article I) that is not attached as an Exhibit to this Agreement or is not otherwise an Ancillary Agreement shall be in customary form and shall be reasonably satisfactory in form and substance to the parties hereto.

Section 3.5. Performance.

- 3.5.1 LMC undertakes to Parent that to the extent that any Subsidiary of LMC fails to comply with any of its obligations under this Agreement and the Tax Matters Agreement when performance of such obligation has become due, LMC shall either (i) procure that such Subsidiary shall perform such obligation; or (ii) if such Subsidiary fails to so perform or if the Parent so elects, itself perform any such unperformed obligation.
- 3.5.2 Parent undertakes to LMC that to the extent that any Subsidiary of Parent fails to comply with any of its obligations under this Agreement, the Tax Matters Agreement, the DTV Non-Competition Agreement or the RSN Non-Competition Agreement, when performance of such obligation has become due, Parent shall either (i) procure that such Subsidiary shall perform such obligation; or (ii) if such Subsidiary fails to so perform or if LMC so elects, itself perform any such unperformed obligation.

Section 3.6. Adjustment to Number and Type of Securities.

- 3.6.1 If, after the date of this Agreement, there is a subdivision, share split, consolidation, share dividend, combination, reclassification or similar event with respect to the securities referred to in this Agreement, then, in any such event, the numbers and types of such securities (and if applicable, the share prices thereof) shall be appropriately adjusted.
- 3.6.2 In the event that DTV pays any dividend or makes any distribution (other than any periodic cash dividends paid or set aside in the ordinary course), in each case on the DTV Shares, in cash, property or other securities (other than any dividend

or distribution for which appropriate adjustment is made in accordance with Section 3.6.1 above) to holders of record prior to the Closing Date, then upon payment of such dividend or the making of such distributions, such cash, property or other securities will (A) continue to be held by Parent and (B) be contributed (including any dividend or distributions thereon and, in the case of cash, interest thereon) to Splitco in connection with the Parent Restructuring without the payment of any additional consideration.

Section 3.7. Parent Restructuring and Related Matters. Prior to the Closing Date, Parent shall complete the Parent Restructuring such that after the Parent Restructuring (the date on which the Parent Restructuring is complete, the "Parent Restructuring Date"):

- (a) Parent will be the sole shareholder of Splitco;
- (b) Splitco will be the sole record and beneficial owner of (i) all of the outstanding equity securities of each RSN Subsidiary and (ii) the DTV Shares; and (iii) will hold directly the Cash Amount; and
- (c) the RSN Subsidiaries will own, directly or indirectly, the Transferred Business.

Section 3.8. Estimated Net Working Capital Adjustment.

- 3.8.1 For the purpose of determining the Cash Amount, two (2) Business Days prior to the Closing Date, Parent shall cause to be prepared and delivered to LMC a statement setting forth a good faith estimate of the Net Working Capital (the "Estimated Net Working Capital") and the components thereof as of the Closing Date, together with a certificate from the principal financial officer of Parent stating that the Estimated Net Working Capital has been calculated in accordance with GAAP (excluding footnotes and normal year-end adjustments) and in accordance with the methods, principles and classifications used in preparing the Interim Balance Sheet included in the Financial Statements.
- 3.8.2 If the Estimated Net Working Capital is a positive amount (the "Estimated Net Working Capital Excess Amount"), the Cash Amount shall be decreased by the Estimated Net Working Capital Excess Amount. If the Estimated Net Working Capital is a negative amount (the "Estimated Net Working Capital Deficiency Amount"), the Cash Amount shall be increased by the Estimated Net Working Capital Deficiency Amount. If the Estimated Net Working Capital is equal to zero dollars (\$0), no adjustment pursuant to this Section 3.8.2 shall be made to the Cash Amount.

Section 3.9. Final Net Working Capital Adjustment.

- 3.9.1 Within forty-five (45) calendar days after the Closing Date, LMC shall cause to be prepared and delivered to Parent a statement (the "Net Working Capital Statement") setting forth the Net Working Capital and the components thereof as of the Closing Date, together with a certificate from the principal financial officer

of LMC stating that the Estimated Net Working Capital has been calculated in accordance with GAAP (excluding footnotes and normal year-end adjustments) and in accordance with the methods, principles and classifications used in preparing the Interim Balance Sheet included in the Financial Statements. For purposes of preparing such Net Working Capital Statement, no effect shall be given to any new accounting pronouncements that may be issued following the delivery of the statement pursuant to Section 3.8.1. Following the delivery of such Net Working Capital Statement, LMC shall provide Parent and any of Parent's Representatives (as defined below) with access during normal business hours to (and to examine and make copies of) all documents, records, work papers (including those of accountants), facilities and personnel of the Transferred Subsidiaries as is reasonably necessary for purposes of reviewing the Net Working Capital Statement.

- 3.9.2 After receipt of the Net Working Capital Statement, Parent will have thirty (30) calendar days to review the Net Working Capital Statement. Unless Parent delivers written notice to LMC setting forth the specific items disputed by Parent on or prior to the thirtieth (30th) day after Parent's receipt of the Net Working Capital Statement, Parent will be deemed to have accepted and agreed to the Net Working Capital Statement and such statement (and the calculations contained therein) will be final, binding and conclusive. If Parent notifies LMC of its objections to the Net Working Capital Statement (or specific calculations contained therein) within such thirty (30) day period, Parent and LMC shall, within thirty (30) days following delivery of such notice by Parent to LMC (the "Resolution Period"), attempt in good faith to resolve their differences with respect to the disputed items (or calculations) specified in the notice (the "Disputed Items"), and all other items (and all calculations relating thereto) will be final, binding and conclusive. Any resolution by Parent and LMC during the Resolution Period as to any Disputed Item shall be set forth in writing and will be final, binding and conclusive.
- 3.9.3 If Parent and LMC do not resolve all Disputed Items by the end of the Resolution Period, then all Disputed Items remaining in dispute will be submitted to an independent accounting firm not retained by Parent or LMC or such other United States national independent accounting firm, in each case, mutually acceptable to Parent and LMC (the "Neutral Arbitrator"). The Neutral Arbitrator, acting as an expert and not as an arbitrator, shall determine only those Disputed Items remaining in dispute, consistent with this Section 3.9.3, and shall request a statement from Parent and LMC regarding such Disputed Items. In resolving each Disputed Item, the Neutral Arbitrator (i) may not assign a value to any Disputed Item greater than the greatest value for such Disputed Item claimed by any party or less than the lowest value for such Disputed Item claimed by any party and (ii) shall make its determination in accordance with the methods, principles and classifications used in preparing the Interim Balance Sheet included in the Financial Statements and in accordance with GAAP (excluding footnotes and normal year-end adjustments). All fees and expenses relating to the work, if any, to be performed by the Neutral Arbitrator will be allocated between

Parent and LMC based upon the percentage which the portion of the contested amount not awarded to each party hereto bears to the amount actually contested by such party hereto. In addition, Parent and LMC shall give the Neutral Arbitrator access to all documents, records, work papers, facilities and personnel of such party and its Subsidiaries as reasonably necessary to perform its function as arbitrator. The Neutral Arbitrator will deliver to Parent and LMC a written determination (such determination to include a work sheet setting forth all material calculations used in arriving at such determination and to be based solely on information provided to the Neutral Arbitrator by Parent and LMC) of the Disputed Items submitted to the Neutral Arbitrator within thirty (30) days of receipt of such Disputed Items, which determination will be final, binding and conclusive. The final, binding and conclusive Net Working Capital Statement based either upon agreement or deemed agreement by Parent and LMC or the written determination delivered by the Neutral Arbitrator in accordance with this Section 3.9.3, will be the "Conclusive Net Working Capital Statement." If any party fails to submit a statement regarding any Disputed Item submitted to the Neutral Arbitrator within the time determined by the Neutral Arbitrator or otherwise fails to give the Neutral Arbitrator access as reasonably requested, then the Neutral Arbitrator shall render a decision based solely on the evidence timely submitted and the access afforded to the Neutral Arbitrator by Parent and LMC.

- 3.9.4 If the amount of Net Working Capital on the Conclusive Net Working Capital Statement is less than the Estimated Net Working Capital (the "Final Net Working Capital Deficiency Amount"), Parent shall pay to Splitco an amount in cash equal to the Final Net Working Capital Deficiency Amount. If the amount of Net Working Capital on the Conclusive Net Working Capital Statement is greater than the Estimated Net Working Capital (the "Final Net Working Capital Excess Amount"), Splitco shall pay to Parent an amount in cash equal to the Final Net Working Capital Excess Amount. If the amount of Net Working Capital on the Conclusive Net Working Capital Statement is equal to the Estimated Net Working Capital, no payment shall be required.
- 3.9.5 All payments to be made pursuant to this Section 3.9 will (i) be made by wire transfer of immediately available funds on the second (2nd) Business Day following the date on which Parent and LMC agree or are deemed to have agreed to, or the Neutral Arbitrator delivers, the Conclusive Net Working Capital Statement, and (ii) will bear interest from the Closing Date through the date of payment at the prime rate of Citibank, N.A. in effect on the date such payment was required to be made.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF PARENT

Except as set forth in the Parent Disclosure Letter delivered by Parent to LMC prior to the execution of this Agreement, Parent hereby represents and warrants to LMC as follows:

Section 4.1. Organization and Standing. Each of Parent and the Transferred Subsidiaries is (a) a corporation, limited liability company or other legal entity duly organized, validly existing and duly qualified or licensed and in good standing under the Laws of the state or jurisdiction of its organization with full corporate or other power, as the case may be, and authority to own, lease, use and operate its properties and to conduct its business as currently conducted, and (b) duly qualified or licensed to do business and, to the extent applicable, in good standing in any other jurisdiction in which the nature of the business conducted by it or the property it owns, leases, uses or operates requires it to be so qualified, licensed or in good standing, except where the failures to be so qualified, licensed or in good standing have not had a Material Adverse Effect on the Transferred Business. Parent has made available to LMC a complete and correct copy of the certificate of incorporation and by-laws (or other comparable organizational documents) of each of the Transferred Subsidiaries as in effect on the date hereof.

Section 4.2. Capitalization.

- 4.2.1 As of the Closing, Splitco's authorized capital stock will consist of one thousand (1,000) shares of Splitco Common Stock (the "Splitco Shares"). As of the date of this Agreement, Parent owns indirectly, through wholly owned Subsidiaries of Parent, all of the issued and outstanding shares of Splitco beneficially and of record, free and clear of any Securities Encumbrances. Immediately prior to the Closing, Parent shall own directly all of the issued and outstanding shares of Splitco beneficially and of record, free and clear of any Securities Encumbrances. There are no shares of capital stock of Splitco issued or outstanding other than the Splitco Shares. Parent has the sole, absolute and unrestricted right, power and capacity to exchange, assign and transfer all of the Splitco Shares to the Stockholders.
- 4.2.2 Parent, indirectly through one of its Subsidiaries, owns all of the issued and outstanding equity interests of each of the RSN Subsidiaries beneficially and of record, free and clear of any Encumbrances. A Subsidiary of Parent has the sole, absolute and unrestricted right, power and capacity to exchange, assign and transfer all of the equity interests of each RSN Subsidiary to Splitco.
- 4.2.3 The Splitco Shares are duly authorized, validly issued, fully paid and nonassessable, and have not been issued in violation of any preemptive or similar rights. Other than this Agreement, there are no outstanding subscriptions, options, warrants, puts, calls, agreements or other rights of any type or other securities (a) requiring the issuance, sale, transfer, repurchase, redemption or other acquisition of any shares of capital stock of Splitco or any equity interests of any RSN Subsidiary, (b) restricting the transfer of any shares of capital stock of Splitco or any equity interests of any RSN Subsidiary, or (c) relating to the voting of any shares of capital stock of Splitco or any equity interests of any RSN Subsidiary. There are no issued or outstanding bonds, debentures, notes or other indebtedness of Splitco or any RSN Subsidiary having the right to vote (or convertible into, or exchangeable for, securities having the right to vote), upon the happening of a certain event or otherwise, on any matters on which the equity holders of Splitco or any RSN Subsidiary may vote.

- 4.2.4 Neither Splitco nor any RSN Subsidiary is in default under or in violation (and no event shall have occurred which, with notice or the lapse of time or both, would constitute such a default or violation) of any term, condition or provision of its certificate of incorporation or bylaws except for any such defaults or violations which would not materially delay or impair the performance of this Agreement by Parent.
- 4.2.5 As of the date hereof, Parent or one of its Subsidiaries has good and valid title to the Splitco Shares and all issued and outstanding equity interests of each of the Transferred Subsidiaries, free and clear of any and all Securities Encumbrances. As of the Closing, Splitco will have good and valid title to all shares of the RSN Subsidiaries, free and clear of any and all Securities Encumbrances. Except as specified in this Agreement, as of the Closing, Splitco shall not have entered into any agreement, arrangement or understanding to purchase, capital stock or other equity interests in any other Person. There exists no Subsidiary of any RSN Subsidiary. No RSN Subsidiary owns any equity interest of any Person.
- 4.2.6 Except as set forth in this Section 4.2, there are no outstanding subscriptions, options, warrants, puts, calls, trusts (voting or otherwise), rights (including conversion or preemptive rights and rights of first refusal), exchangeable or convertible securities or other commitments or agreements of any nature relating to the capital stock or other securities or ownership interests of Splitco (including any phantom shares, phantom equity interests, stock or equity appreciation rights or similar rights) or obligating Splitco or any of its Subsidiaries, at any time or upon the happening of any event, to issue, transfer, deliver, sell repurchase, redeem or otherwise acquire, or cause to be issued, transferred, delivered, sold, repurchased, redeemed or otherwise acquired, any of its capital stock or any phantom shares, phantom equity interests, stock or equity appreciation rights or similar rights, or other ownership interest of Splitco or obligating Splitco to grant, extend or enter into any such subscription, option, warrant, put, call, trust, right, exchangeable or convertible security, commitment or agreement.
- 4.2.7 Immediately after the Closing, the Stockholders will have good title to all of the Splitco Shares free and clear of all Securities Encumbrances. As of the Closing, except for the Splitco Shares, there shall be no outstanding (i) shares of capital stock or voting securities of, or other ownership interests in, Splitco, (ii) securities of Splitco or any of its Subsidiaries convertible into or exchangeable for shares of capital stock or other voting securities of, or ownership interests in, Splitco or (iii) options or other rights to acquire from Splitco or any of its Subsidiaries, or other obligations of Splitco or any of its Subsidiaries to issue, any capital stock or other voting securities of, or other ownership interests in, or any securities convertible into or exercisable or exchangeable for any capital stock or other voting securities of Splitco. As of the Closing, there will be no outstanding obligations of any Transferred Subsidiary to repurchase, redeem or otherwise acquire any such securities from any other Person.

Section 4.3. Corporate Power and Authority. Parent has all requisite corporate power and authority to enter into and deliver this Agreement and to consummate the Transactions. Each of Parent, Splitco and the other Subsidiaries of Parent party thereto has all requisite corporate or similar power, as the case may be, and authority to execute and deliver the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered by it in connection with this Agreement, including the Parent Tax Opinion Representations, the Closing Certificates required by Sections 7.2.1 and 7.2.2, or the Ancillary Agreements and to consummate the transactions contemplated thereby. The execution, delivery and, subject to receipt of the Parent Stockholder Approval, performance of this Agreement by Parent and the consummation by Parent, Splitco and the other applicable Subsidiaries of Parent of the Transactions, including the execution, delivery and performance of the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered in connection with this Agreement or the Ancillary Agreements by Parent, Splitco and the other applicable Subsidiaries of Parent and the consummation (other than the payment of any Termination Fee) of the Transactions, have been duly authorized by all necessary action on the part of Parent, Splitco and the other applicable Subsidiaries of Parent. Each of this Agreement and the Tax Matters Agreement has been duly executed and delivered by Parent and constitutes the legal, valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at Law or in equity). When signed, each of the Ancillary Agreements (other than the Tax Matters Agreement which is the subject of the preceding sentence) and the other agreements, documents, certificates (including the Parent Tax Opinion Representations) and instruments to be executed and delivered by Parent, Splitco and each Subsidiary of Parent in connection with this Agreement and the Transactions shall have been duly executed and delivered by Parent, Splitco and the other Subsidiaries of Parent party thereto and shall constitute the legal, valid and binding obligations of Parent, Splitco and such other Subsidiaries of Parent, enforceable against each such Person in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of statutory and other Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at Law or in equity).

Section 4.4. Shareholder Votes Required. At the Parent Stockholders' Meeting (as defined in Section 6.5), the affirmative vote of a majority of the votes cast in person or by proxy by holders of Parent Class B Shares other than LMC, the Stockholders and any of their respective Associates (the "Parent Stockholder Approval"), in accordance with Chapter 10.1 of the ASX Listing Rules is the only vote of the holders of any class or series of capital stock of Parent or any of its Subsidiaries required by any applicable Law to approve the Exchange. Other than the Parent Stockholder Approval, no vote or other action of the stockholders of Parent is required by Law, the organizational documents of Parent, the ASX Listing Rules, the rules and regulations of the New York Stock Exchange or otherwise in order for Parent to consummate the Transactions. The Board of Directors of Parent, by vote at a meeting duly called and held, has

approved this Agreement, determined that the Exchange is fair to and in the best interests of Parent's stockholders and has adopted resolutions recommending approval of the Exchange by the stockholders of Parent. The Murdoch Interests have agreed with Parent and LMC to be present, in person or by proxy, at the Parent Stockholder Meeting and to vote all shares of Parent Class B Stock beneficially owned by them at the Parent Stockholder Meeting (or any adjournment thereof) in favor of the approval of the Exchange; provided that the foregoing shall be deemed not to have been violated if the shares held by the Murdoch Interests shall have been disregarded for purposes of the Parent Shareholder Approval under the ASX listing rules.

Section 4.5. Conflicts; Consents and Approvals. Except as set forth in Section 4.5 of the Parent Disclosure Letter, neither the execution, delivery and performance by Parent of this Agreement, nor the execution, delivery and performance by Parent, the Transferred Subsidiaries and the other Subsidiaries of Parent party thereto of the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered by each of them in connection with this Agreement and the Ancillary Agreements, will:

- 4.5.1 conflict with, or result in a breach of any provision of, the organizational documents of Parent, any Transferred Subsidiary any applicable Parent Subsidiary;
- 4.5.2 violate, or conflict with, or result in a breach of any provision of, or constitute a change of control or default (or an event that, with the giving of notice, the passage of time or otherwise, would constitute a default) under, or require any action, consent, waiver or approval of any third party or entitle any Person (with the giving of notice, the passage of time or otherwise) to terminate, accelerate, modify or call a default under, or give rise to any obligation to make a payment under, or to any increased, additional or guaranteed rights of any Person under, or result in the creation of any Encumbrance upon any of the properties or assets of any Transferred Subsidiary or under any of the terms, conditions or provisions of any material Contract to which Parent or any Transferred Subsidiary is a party or pursuant to which any of their respective properties or assets are bound, except for any such conflicts, violations, breaches, defaults or occurrences which would not prevent or materially delay the performance of this Agreement by Parent;
- 4.5.3 assuming the approvals required under Section 4.5.4 are obtained, violate any order, writ, or injunction, or any decree, or any material Law applicable to Parent or any Transferred Subsidiary, or any of their respective properties or assets; or
- 4.5.4 require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except for (i) (A) applicable requirements of the Exchange Act, the Securities Act, and state securities or "blue sky" Laws, (B) the pre-merger notification requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "HSR Act"), and (C) approval of the Transactions under the Communications Act and (ii) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications

would not prevent or materially delay the performance of this Agreement by Parent.

Section 4.6. Operations of the Transferred Business. Except as set forth in Section 4.6 of the Parent Disclosure Letter, since October 1, 2006 and through the date of this Agreement, the Transferred Business has been conducted in the ordinary course of business consistent with past practice and there has not been since such date the occurrence of any fact, event or circumstance described in Sections 6.2.8, 6.2.9, 6.2.12 – 6.2.17 (assuming that the period referred to therein is effective beginning October 1, 2006).

Section 4.7. Compliance with Law. The Transferred Business is currently being conducted, and since January 1, 2004, has been conducted, in compliance with all material Laws applicable to the Transferred Business or the Transferred Employees. Since January 1, 2004 and prior to the date of this Agreement, none of Parent, Splico or any of the RSN Subsidiaries has received any material notice from any Governmental Authority that the Transferred Business has been or is being conducted in violation of any applicable material Law or that an investigation or inquiry into any noncompliance with any applicable material Law is ongoing, pending or, to the Knowledge of Parent, threatened. This Section 4.7 does not relate to matters with respect to Taxes, which are the subject of Section 4.20 or the Tax Matters Agreement, as the case may be, to Environmental Matters, which are the subject of Section 4.10, to Employee Benefits Plan matters, which are the subject of Section 4.12 or to Labor and Employment Matters, which are the subject of Section 4.14.

Section 4.8. Intellectual Property.

- 4.8.1 Section 4.8.1 of the Parent Disclosure Letter sets forth a list of all patents, patent applications, registered trademarks, material unregistered trademarks, registered copyrights and Internet domain name registrations that are, as of the date of this Agreement, owned by the RSN Subsidiaries (the "Owned Intellectual Property"). The RSN Subsidiaries own the Owned Intellectual Property, free and clear of all Encumbrances and have the exclusive right to use and sublicense, without payment to any other Person, all of the Owned Intellectual Property. As of the date hereof, no license relating to any of the Owned Intellectual Property has been granted, except as provided in the Ancillary Agreements, and except for Customer Agreements entered into in the ordinary course of business.
- 4.8.2 Section 4.8.2 of the Parent Disclosure Letter sets forth a list that includes all material Intellectual Property that is held for use under license by the RSN Subsidiaries as of the date hereof (the "Licensed Intellectual Property"). As of the date hereof, neither Parent nor the RSN Subsidiaries have given or received any notice of material default or of any event which with the lapse of time would constitute a material default under any material agreement relating to the Licensed Intellectual Property; neither Parent nor the Transferred Subsidiaries, nor, to Parent's Knowledge, any other Person, currently is in material default under any such agreement.

- 4.8.3 To Parent's Knowledge, as of the date hereof, no third party is infringing in any material respect a proprietary right in any Owned Intellectual Property. To Parent's Knowledge, the use of any Owned Intellectual Property or Licensed Intellectual Property in connection with the Transferred Business as currently conducted does not materially infringe upon, misappropriate, violate or conflict in any way with any material Intellectual Property rights of any Person.
- 4.8.4 There is no pending or, to Parent's Knowledge, threatened material claim (i) challenging the validity or enforceability of, or contesting the Parent's or the Transferred Subsidiaries' right to make, sell, offer to sell, and/or use any of the Owned Intellectual Property or Licensed Intellectual Property; (ii) challenging the validity or enforceability of any agreement relating to the Owned Intellectual Property or Licensed Intellectual Property; or (iii) asserting that the manufacture, sale, offer of sale, and/or use of any Owned Intellectual Property or Licensed Intellectual Property infringes upon, misappropriates, violates or conflicts in any way with the Intellectual Property rights of any Person.
- 4.8.5 The making, using, selling, offering to sell, or other implementation of any apparatus, systems, processes, methods, or other technologies (and/or combination thereof) used in or necessary for operation and conducting of the Transferred Business as currently conducted do not infringe upon, misappropriate, violate, or conflict in any way with the material Intellectual Property rights of any Person.

Section 4.9. Absence of Splitco Operations; Splitco Assets and Liabilities. Splitco has conducted no activities other than in connection with the execution and delivery of the Ancillary Agreements to which it is or will be a party. As of the Closing, the assets of Splitco will consist solely of (i) all issued and outstanding equity interests of each RSN Subsidiary, (ii) the DTV Shares and (iii) the Cash Amount (collectively, the "Splitco Assets"). As of the Closing, the Transferred Subsidiaries will have no Liabilities other than Liabilities arising as a result of its ownership of the Splitco Assets and any Liabilities set forth in Section 4.9(a) of the Parent Disclosure Letter. Except as set forth in Section 4.9(b) of the Parent Disclosure Letter, the assets of the RSN Subsidiaries, along with the rights of Splitco and the RSN Subsidiaries under the Ancillary Agreements, are sufficient to permit the RSN Subsidiaries to conduct immediately following the Closing the Transferred Business in all material respects in the manner as the Transferred Business was being conducted as of the date hereof.

Section 4.10. Environmental Matters.

- 4.10.1 The Transferred Business is currently being conducted in compliance in all material respects with, and, since January 1, 2004 has been conducted in compliance in all material respects with, all applicable Environmental Laws.
- 4.10.2 Except as would not reasonably be expected to form the basis of any material Environmental Claim against the Transferred Business, since January 1, 2004, the Transferred Business has not disposed of, Released, transported, stored, or arranged for the disposal of any Hazardous Materials to, at or upon: (i) any

location other than a site lawfully permitted to receive such Hazardous Materials;
(ii) any premises currently or formerly owned or leased by any of the RSN
Subsidiaries, except for the use of household cleaners and office products in the
ordinary course of business in compliance with applicable Environmental Laws;
or (iii) any site which has been placed on the National Priorities List, CERCLIS
or their state equivalents;

- 4.10.3 Since January 1, 2004, the operations of the Transferred Business have not resulted in any Release of Hazardous Materials at or from any Leased Real Property that requires Cleanup that has not been completed to the satisfaction of the relevant Governmental Authority or would reasonably be expected to form the basis of any material Environmental Claim against the Transferred Business;
- 4.10.4 The Transferred Business is not subject to, and, since January 1, 2004, none of the RSN Subsidiaries has received written notice of, any existing, pending, or, to the Knowledge of Parent, threatened material Action, by any Person under any Environmental Laws or involving the presence, Release or threatened Release of any Hazardous Material at any location currently or formerly owned or operated as part of the Transferred Business.

Section 4.11. Litigation.

- 4.11.1 Other than Actions of the type contemplated by Section 4.11.2 and judgments, decrees, written agreements, memoranda of understanding or orders of Governmental Authorities of the type contemplated by Section 4.11.3, (i) as of the date hereof, there are no Actions pending or, to the Knowledge of Parent, threatened against any of the Transferred Subsidiaries, by or before any Governmental Authority, (ii) there are no material Actions pending, or to the Knowledge of Parent, threatened against any of the Transferred Subsidiaries, by or before any Governmental Authority, (iii) as of the date hereof, there is no judgment, decree, injunction, ruling or order of any Governmental Authority outstanding against any Transferred Subsidiary and (iv) there is no material judgment, decree, injunction, ruling or order of any Governmental Authority outstanding against any Transferred Subsidiary.
- 4.11.2 As of the execution of this Agreement, there is no Action pending or, to Parent's Knowledge, threatened against Parent or any of its Affiliates that seeks, or would reasonably be expected, to prohibit or restrain the ability of Parent or any of its Affiliates to enter into this Agreement or any of the Ancillary Agreements to which it is a party or to timely consummate the Transactions.
- 4.11.3 As of the execution of this Agreement, there are no material judgments, decrees, written agreements, memoranda of understanding or orders of any Governmental Authority outstanding against Parent or any of its Affiliates which would reasonably be expected to prevent, prohibit, materially delay or enjoin the consummation of the Transactions.

Section 4.12. Employee Benefit Plans.

- 4.12.1 Section 4.12.1 of the Parent Disclosure Letter sets forth, as of the date of this Agreement, a list of all material "employee pension benefit plans" (as defined in Section 3(2) of ERISA), "employee welfare benefit plans" (as defined in Section 3(1) of ERISA), and deferred compensation, bonus, retention bonus, incentive, severance, stock bonus, stock option, restricted stock, stock appreciation right, stock purchase, holiday pay, and vacation pay plans, and any other employee benefit plan, program, policy or arrangement covering Transferred Employees as of the date hereof, that are currently either maintained by or contributed to by Parent or any of its Subsidiaries or to which Parent or any of its Subsidiaries is obligated to make payments or otherwise have any liability (collectively, the "Employee Benefit Plans"), and each employment, severance, retention, consulting or similar agreement currently in effect that has been entered into by Parent, any Transferred Subsidiary or any of their respective Affiliates, on the one hand, and any Transferred Employee, on the other hand (collectively, the "Employment Agreements"). Each Employee Benefit Plan which provides, as of the date of hereof, benefits solely with respect to the Transferred Employees and no other active employees of Parent or any other Subsidiary is separately identified on Section 4.12.1 of the Parent Disclosure Letter (collectively, the "Subsidiary Employee Benefit Plans"). Summaries of all Employee Benefit Plans (except for plans contributed to pursuant to a Collective Bargaining Agreement set forth on Section 4.12.1 of the Parent Disclosure Letter), copies of all such written Subsidiary Employee Benefit Plans and Employment Agreements and written summaries of all unwritten Subsidiary Employee Benefit Plans have been made available to LMC.
- 4.12.2 No Controlled Group Liability has been incurred by any Transferred Subsidiary or any trade or business that together with any Transferred Subsidiary would be deemed a "single employer," within the meaning of section 4001(b) of ERISA (an "ERISA Affiliate"), no condition exists that presents a material risk to any Transferred Subsidiary or any ERISA Affiliate of incurring any Controlled Group Liability, and no Controlled Group Liability would reasonably be expected to be incurred by the Transferred Subsidiaries following the Closing by reason of such Transferred Subsidiaries having been an ERISA Affiliate of Parent (or of any other ERISA Affiliate of Parent) prior to the Closing. For purposes of this Agreement, "Controlled Group Liability" means any and all liabilities (i) under Title IV of ERISA, other than for payment of premiums to the Pension Benefit Guaranty Corporation (which premiums have been paid when due), (ii) under Section 302 or 4068(a) of ERISA, (iii) under Sections 412(n) or 4971 of the Code and (iv) for violation of the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code or the group health requirements of Sections 9801 et seq. of the Code and Sections 701 et seq. of ERISA. The consummation of the Transactions will not result in the occurrence of any reportable event within the meaning of Section 4043(c) of ERISA with respect to any pension plan maintained by Parent or an ERISA Affiliate. None of the

Subsidiary Employee Benefit Plans is subject to Title IV of ERISA or Section 412 of the Code.

- 4.12.3 No Transferred Subsidiary has any liability, fixed or contingent, with respect to a Multiemployer Plan.
- 4.12.4 Each Employee Benefit Plan has been operated and administered in all material respects in accordance with its terms and applicable law, including but not limited to ERISA and the Code. As of the date hereof, there are no actions, suits or claims pending (other than routine claims for benefits) or, to the Knowledge of Parent, threatened against, or with respect to, any of the Employee Benefit Plans or their assets. There are no material actions, suits or claims pending (other than routine claims for benefits) or, to the Knowledge of Parent, threatened against, or with respect to, any of the Employee Benefit Plans or their assets. There have been no "prohibited transactions" (as described in Section 406 of ERISA or Section 4975 of the Code) with respect to any of the Employee Benefit Plans. Other than routine filings, there is no matter pending or audit in progress with respect to any of the Employee Benefit Plans before or by any Governmental Authority.
- 4.12.5 Each Employee Benefit Plan intended to be qualified, within the meaning of Section 401(a) of the Code, has received a favorable determination letter regarding the Employee Benefit Plan's qualification from the IRS with respect to all amendments required by applicable law (or such plan has been submitted to the IRS for a determination as to its qualification within the applicable remedial amendment period).
- 4.12.6 The execution and delivery of this Agreement and the consummation of the Transactions will not (except as otherwise provided in this Agreement) (A) require any Transferred Subsidiary to make a larger contribution to, or pay greater benefits or provide other rights under, any Employee Benefit Plan, any Employment Agreement or any other employee benefit plan or arrangement than it otherwise would, whether or not some other subsequent action or event would be required to cause such payment or provision to be triggered or (B) create, give rise to or accelerate any additional benefits, vested rights or service credits under any Employee Benefit Plan, Employment Agreement or any other employee benefit plan or arrangement. In connection with the consummation of the Transactions, no payment of money or other property, acceleration of benefits or provision of other rights has been made under this Agreement, any Employee Benefit Plan or otherwise that would be nondeductible for income Tax purposes by Splitco or the Transferred Subsidiaries by virtue Section 280G of the Code.
- 4.12.7 No Subsidiary Employee Benefit Plan provides post employment medical, disability, life insurance benefits or other welfare benefits, except as required by Section 4980B of the Code or Part 6 of Title I of ERISA and at no expense to any Transferred Subsidiary.

4.12.8 Except as disclosed on Section 4.12.8 of the Parent Disclosure Schedule, no Subsidiary Employee Benefit Plan, Employment Agreement or payment or benefit provided pursuant to any Subsidiary Employee Benefit Plan, Employment Agreement or other contract, agreement or benefit arrangement covering any "service provider" (within the meaning of Section 409A of the Code), including the grant, vesting or exercise of any option or appreciation right, will or may provide for the deferral of compensation subject to Section 409A of the Code, whether pursuant to the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby (either alone or upon the occurrence of any additional or subsequent events) or otherwise. Each Subsidiary Employee Benefit Plan that is a nonqualified deferred compensation plan subject to Section 409A of the Code has been operated and administered in good faith compliance with Section 409A of the Code from the period beginning January 1, 2005 through the date hereof.

Section 4.13. Contracts. Section 4.13 of the Parent Disclosure Letter contains a complete list, as of the date hereof, of all Contracts (together with each material amendment, modification, change or waiver thereto) by and between any Transferred Subsidiary and one or more third parties (other than this Agreement or the Ancillary Agreements), pursuant to which any Transferred Subsidiary is obligated or liable or is entitled to any rights or benefits or pursuant to which any Transferred Subsidiary or any of its properties or assets is subject, in each case, which fall within any of the following categories (such Contracts as are required to be set forth in Section 4.13 of the Parent Disclosure Letter, the "Material Contracts"):

- (a) each advertising and sponsorship Contract pursuant to which payment of more than \$100,000 annually is required to be paid to any Transferred Subsidiary;
- (b) each Contract providing for the sale, lease or other disposition of a material portion of the assets of any Transferred Subsidiary other than in the ordinary course of business;
- (c) each material Contract relating to the production or licensing of any programming for any Network;
- (d) each affiliation, distribution, carriage or similar agreement between any Transferred Subsidiary (or under which any Transferred Subsidiary is bound or is liable or pursuant to which any Transferred Subsidiary or any of its properties or assets is subject) and any of its affiliates, distributors, carriers, over-the-air broadcast operators and multichannel video programming distributors, in which such affiliate, distributor, carrier or operator accounts for at least 50,000 subscribers to a Network operated by such Transferred Subsidiary as of July 31, 2006;
- (e) each material definitive rights agreement relating to the telecast of professional, collegiate conference, university or high school sports teams or any sports related tournaments or events on any Network;

(f) each Contract pursuant to which any Transferred Subsidiary is obligated (or assuming performance of any Contract in effect at the date hereof, would be obligated) to any Person for payments in respect of capital expenditures in excess of \$1,000,000;

(g) each currently effective joint venture or partnership or similar agreement and each Contract providing for the formation of a joint venture, limited liability company, long-term alliance or partnership or involving an equity investment;

(h) each currently effective Contract (including any Employment Agreements) which (A) materially restricts the ability of any Transferred Subsidiary or any of its Affiliates or the Transferred Business to engage in any business activity in any geographic area or line of business following the Closing or (B) materially restricts the ability of any Transferred Subsidiary or any of its Affiliates or the Transferred Business to compete with any Person following the Closing;

(i) each Contract (or group of related Contracts) under which there has been created, incurred, assumed, or guaranteed any Indebtedness, or that relates to the lending or advancing of amounts or investment in any other Person, in each case, in excess of \$100,000, or providing for the creation of any Encumbrance securing an obligation likely to exceed \$100,000 upon any asset of any Transferred Subsidiary;

(j) each lease, sublease or similar agreement relating to tangible personal property used or held for use in the Transferred Business, for an annual rent in excess of \$100,000, or agreement regarding the purchase of real property;

(k) each currently effective material Real Property Lease;

(l) any currently effective Contract concerning the marketing or distribution by third parties of any products or services of the Transferred Business (including any Contract requiring the payment of any sales or marketing or distribution commissions or granting to any Person rights to market, distribute or sell such products or services) involving sales of products of more than \$100,000 annually;

(m) any other currently effective Contract which was entered into other than in the ordinary course of business involving payments to or from third parties in excess of \$500,000 over the remaining term of such Contract; and

(n) each satellite and transponder agreement to which any Transferred Subsidiary is a party or pursuant to which any Transferred Subsidiary or under which any Transferred Subsidiary is bound or is liable or pursuant to which any Transferred Subsidiary or any of its properties or assets is subject.

Parent has made available to LMC or its Representatives (as defined below) correct and complete copies of all such Material Contracts (other than such Material Contracts referenced in Section 4.13(n) pursuant to which the Transferred Subsidiaries shall have no liabilities or obligations of any kind after Closing other than pursuant to the Technical Services Agreement) with all amendments thereto. Each such Material Contract is valid, binding and enforceable against a Transferred Subsidiary and the other parties thereto in accordance with its terms and is

in full force and effect, subject to expiration in accordance with its terms. Except as set forth in Section 4.13 of the Parent Disclosure Letter, none of the Transferred Subsidiaries is in material default under or in material breach of any such Material Contract, and no event has occurred that, with notice or lapse of time, or both, would constitute such a material default. Except as set forth in Section 4.13 of the Parent Disclosure Letter, each of the other parties to the Material Contracts has performed in all material respects all of the obligations required to be performed by it under, and is not in material default under, any such Material Contract, and to the Knowledge of Parent, no event has occurred that, with notice or lapse of time, or both, would constitute such a material default.

Section 4.14. Labor Matters.

4.14.1 Except as set forth in the Parent Disclosure Letter, as of the date hereof, there are no collective bargaining agreements, union contracts or similar agreements or arrangements in effect that cover any Transferred Employee (each, a "Collective Bargaining Agreement"). With respect to the Transferred Business, (a) there is no material labor strike, dispute, slowdown, lockout or stoppage pending or, to the Knowledge of Parent, threatened, and no Transferred Subsidiary has experienced any labor strike, dispute, slowdown, lockout or stoppage relating to the Transferred Business or any Transferred Employee since January 1, 2004; (b) there is no material unfair labor practice charge or complaint pending or, to Parent's Knowledge, threatened before the National Labor Relations Board or before any similar state or foreign agency; (c) there is no material grievance or arbitration arising out of any Collective Bargaining Agreement or other grievance procedure; (d) no material charges are pending before the Equal Employment Opportunity Commission or any other agency responsible for the prevention of unlawful employment practices; and (e) Parent, Splitco and the Transferred Subsidiaries have complied in all material respects with all laws relating to the employment of labor, including provisions thereof relating to wages, hours, equal opportunity, collective bargaining, affirmative action, occupational safety and health, immigration and the withholding and payment of social security and other taxes, and no claim to the contrary has been made by any employee or Governmental Authority.

4.14.2 Neither Parent nor any of its Affiliates has effected any of the following with respect to any Transferred Employee: (a) a "plant closing" (as defined in the WARN Act) affecting any site of employment or one or more facilities or operating units within any site of employment or facility; or (b) a "mass layoff" (as defined in the WARN Act) affecting any site of employment or facility. None of the Transactions or any of the actions taken by Parent or its Affiliates in preparation for the Closing have or will result in plant closing or mass layoff under the WARN Act.

Section 4.15. RSN Subsidiaries Financial Statements.

4.15.1 Attached as Section 4.15.1 of the Parent Disclosure Letter are the unaudited consolidated interim balance sheet (with respect to each RSN Subsidiary, the

"Interim Balance Sheet") of each RSN Subsidiary as of October 1, 2006 (the "Interim Balance Sheet Date"), and the unaudited consolidated statements of operations and partners' deficit and cash flows for each RSN Subsidiary for the fiscal year ended July 2, 2006 (such unaudited consolidated financial statements, collectively, the "Financial Statements"). Except as provided in Section 4.15.1 of the Parent Disclosure Letter, the Financial Statements (i) conform to the books and records of the RSN Subsidiaries in all material respects, (ii) present fairly in all material respects the financial position of the RSN Subsidiaries as of the dates indicated and the results of operations and partners' deficit and cash flows for the respective periods indicated, and (iii) were prepared in accordance with GAAP, consistently applied; *provided* that each Interim Balance Sheet is subject to normal, recurring year-end audit adjustments (none of which are material, individually or in the aggregate, to Parent's Knowledge).

4.15.2 From the Interim Balance Sheet Date to the date hereof, except as set forth on Section 4.15.2 of the Parent Disclosure Letter, (i) the business of the RSN Subsidiaries has been conducted in the ordinary course of business consistent with past practices, (ii) there has not been any event, circumstance, change or effect that has had or could reasonably be expected to have, individually or in the aggregate, Material Adverse Effect on the Transferred Business, (iii) no RSN Subsidiary has redeemed any ownership interests in any RSN Subsidiary, (iv) no RSN Subsidiary has waived, released, compromised or settled any right or claim of substantial value to such RSN Subsidiary or any other Person and (v) no RSN Subsidiary has engaged in any transaction or taken any other action except in the ordinary course of business consistent with past practices. No RSN Subsidiary has engaged in any activity other than the operation of the Networks.

4.15.3 There are no Liabilities of the RSN Subsidiaries, and there is no existing condition, situation or set of circumstances that could reasonably be expected to result in such a Liability, other than: (i) Liabilities disclosed or provided for in the Interim Balance Sheet or in the notes to the Financial Statements; (ii) the Liabilities set forth on Section 4.15.3 of the Parent Disclosure Letter; and (iii) Liabilities incurred in the ordinary course of business consistent with past practice since the Interim Balance Sheet Date that have not had and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Transferred Business.

4.15.4 Except as set forth in Section 4.15.4 of the Parent Disclosure Letter, each RSN Subsidiary is, and since the Interim Balance Sheet Date has been, in compliance with and, as of the date hereof, to the Knowledge of Parent is not under investigation with respect to and has not been threatened to be charged with or given any notice of any violation of, any applicable Law.

Section 4.16. Permits. The RSN Subsidiaries are in possession of, all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate the Transferred Business as it is being operated as of the date hereof, other than such franchises, grants, authorizations, licenses,

permits, easements, variances, exemptions, consents, certificates, approvals and orders which the failure to hold would not adversely affect the ability of the RSN Subsidiaries to conduct the Transferred Business in all material respects as it is currently conducted by the RSN Subsidiaries (collectively, the "Permits"). As of the date hereof, there are no Business FCC Licenses. Except as set forth in Section 4.16 of the Parent Disclosure Letter (a) (i) as of the date hereof, there is no Action pending, or, to the Knowledge of Parent, threatened, regarding any of the Permits and (ii) there is no material Action pending, or to the Knowledge of Parent, threatened regarding any of the Permits and (b) each such Permit is in full force and effect. The RSN Subsidiaries do not possess any Business FCC Licenses.

Section 4.17. Real Estate None of the Transferred Subsidiaries owns or has owned any real property.

4.17.2 As of the date hereof, the RSN Subsidiaries have good and valid leasehold interests in all Leased Real Property except for any such Leased Real Property which is no longer used or useful in the conduct of the Transferred Business.

4.17.3 Each of the RSN Subsidiaries has complied in all material respects with the terms of all Real Property Leases to which it is a party and under which it is in occupancy, and all such Real Property Leases and deeds are in full force and effect. Section 4.17.3 of the Parent Disclosure Letter sets forth a complete list, as of the date hereof, of all leases pursuant to which parcels of the Leased Real Property are held. The RSN Subsidiaries enjoy peaceful and undisturbed possession under all such leases and there are no existing material defaults beyond any applicable grace periods under such leases.

Section 4.18. Guarantees. Except to the extent contemplated by this Agreement or as set forth in Section 4.18 of the Parent Disclosure Letter, none of the Transferred Subsidiaries is directly or indirectly (a) liable, by guarantee or otherwise, upon or with respect to or (b) obligated to provide funds with respect to, or to guarantee or assume, any Indebtedness or other Liability of any other Person.

Section 4.19. Title to DTV Shares. As of the date hereof, FEG is the sole record owner and has good and valid title to the DTV Shares, free and clear of any and all Securities Encumbrances. As of the Closing, Splitco will be the sole record beneficial owner of, and will have good and valid title to the DTV Shares, free and clear of any and all Securities Encumbrances. The DTV Shares are duly authorized, validly issued, fully paid and nonassessable, and have not been issued in violation of any preemptive or similar rights. The DTV Shares constitute all shares of common stock of DTV beneficially owned by Parent.

Section 4.20. Certain Tax Matters.

4.20.1 Filing and Payment. (i) All material Tax Returns required to be filed with any Taxing Authority by or on behalf of the Transferred Subsidiaries or otherwise with respect to the Transferred Business have been filed when due (taking into account any extension of time within which to file) in accordance with all applicable Laws; (ii) all such Tax Returns are accurate and complete in all

material respects and have been prepared in substantial compliance with all applicable Laws; (iii) all material Taxes due and payable by the Transferred Subsidiaries or with respect to the Transferred Business have been timely paid, or withheld and remitted to the appropriate Taxing Authority; (iv) no written claim has been made by any Taxing Authority in a jurisdiction where any of the Transferred Subsidiaries does not file a Tax Return that it is, or may be, subject to Tax by that jurisdiction; and (v) there are no Encumbrances on any of the assets of any of the Transferred Subsidiaries that arose in connection with any failure (or alleged failure) to pay any Tax (except for Encumbrances that arise by operation of Law for Taxes not yet due and payable).

- 4.20.2 Withholding. Each of the Transferred Subsidiaries has complied with all applicable Laws relating to the payment and withholding of any material amount of Taxes and have, within the time and the manner prescribed by applicable Law, withheld from and paid over to the proper Taxing Authorities all material amounts required to be so withheld and paid over under all applicable Laws.
- 4.20.3 Proceedings and Compliance. (i) No outstanding written claim has been received, and no audit, action, suit or proceeding is in progress, against or with respect to any of the Transferred Subsidiaries in respect of any material Tax; and (ii) all material deficiencies, assessments or proposed adjustments asserted against any of the Transferred Subsidiaries by any Taxing Authority have been paid or fully and finally settled.
- 4.20.4 Availability of Tax Returns. Parent has furnished or made available to LMC complete and accurate copies of all portions of United States federal income Tax Returns and material state income Tax Returns relating to the Transferred Subsidiaries, and including, in each case, any amendments thereto, filed by or on behalf of any such Transferred Subsidiaries for all taxable periods beginning after December 31, 2000.
- 4.20.5 Consolidation and Similar Arrangements; Tax Sharing Agreements. None of the Transferred Subsidiaries (i) is or has been a member of an affiliated group (within the meaning of Section 1504 of the Code) filing a consolidated federal income Tax Return, other than an affiliated group the common parent of which is or was Parent (a "Parent Group"), (ii) is or has been a member of any affiliated, combined, consolidated, unitary or similar group for state, local or foreign Tax purposes other than a group the common parent of which is Parent, (iii) is a party to, or has any liability for any Tax under, any Tax Sharing Agreement or (iv) has any liability for the Taxes of any Person under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or foreign Law) or as a transferee or successor, except for such liability arising from membership in a Parent Group.
- 4.20.6 Timing. None of the Transferred Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any

(i) change in method of accounting for a taxable period (or portion thereof) ending on or prior to the Closing Date (other than any change in method of accounting made by LMC or any of its Affiliates, except for any change in method of accounting made on any Tax Return of or including the Transferred Subsidiaries which Parent is responsible for preparing pursuant to Section 2.1(a) of the Tax Matters Agreement), (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax Law) executed prior to the Closing, or (iii) installment sale or open transaction occurring prior to the Closing.

4.20.7 Statute of Limitations. No waiver or extension of any statute of limitations in respect of material Taxes or any extension of time with respect to a material Tax assessment or deficiency is in effect for any of the Transferred Subsidiaries.

4.20.8 Section 355. Except with respect to the Transactions, none of the Transferred Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" (or is otherwise a successor to a "distributing corporation" or a "controlled corporation") in a distribution of stock qualifying or intended to qualify under Section 355 of the Code.

4.20.9 Reportable Transactions. None of the Transferred Subsidiaries has participated in a "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2).

4.20.10 Certain Agreements and Rulings. None of the Transferred Subsidiaries is a party to or bound by any advance pricing agreement, closing agreement or other agreement or ruling relating to Taxes with any Taxing Authority that will remain in effect with respect to such Transferred Subsidiary after the Closing.

4.20.11 DTV Shares. To the Knowledge of Parent, for United States federal income Tax purposes the aggregate basis of the DTV Shares is \$6.8 billion. Parent has not taken any position for Tax purposes or in computing any deferred income tax provision or reserve for financial reporting purposes that is inconsistent with the representation set forth in the preceding sentence.

Section 4.21. Affiliate Transactions. Section 4.21 of the Parent Disclosure Letter sets forth, as of the date hereof, all Contracts and all material allocations, obligations, transactions or other arrangements (oral or written) between DTV, on the one hand, and Parent or any of its Subsidiaries, on the other hand, that, in each case, shall be in effect following the Closing (each, an "Affiliate Transaction").

Section 4.22. Brokers or Finders. Except as set forth in Section 4.22 of the Parent Disclosure Letter, no agent, broker, investment banker, financial advisor or other Person (any such Person, a "Broker") is or will be entitled to any financial advisory, broker's, finder's or similar fee or commission in connection with the Transactions (collectively, "Broker Fees") based upon arrangements made by or on behalf of Parent, DTV, a Transferred Subsidiary or any of their respective Affiliates.

Section 4.23. Investigation; Reliance.

- 4.23.1 Notwithstanding anything to the contrary set forth herein, the express representations and warranties set forth in this Agreement, the Parent Tax Opinion Representations and the Tax Matters Agreement are the only representations and warranties concerning Parent and the DTV Shares made to LMC by Parent. Such representations and warranties are made expressly in lieu of all other warranties and representations, express or implied.
- 4.23.2 Parent hereby acknowledges and agrees that LMC makes no representations or warranties to Parent, express or implied, other than those representations and warranties set forth in this Agreement, the LMC Tax Opinion Representations, the Tax Matters Agreement and the Ancillary Agreements. Parent hereby expressly acknowledges and agrees that it is not relying on, is not entitled to rely on and, except in the case of fraud or willful breach, neither LMC nor any Person will have or be subject to any liability to Parent or any other Person resulting from, any statements or communications by LMC or any of its Affiliates or Representatives with respect to any matter in connection with its investigation or evaluation of the Transactions, except for the representations and warranties expressly set forth in this Agreement, the Tax Matters Agreement, the LMC Tax Opinion Representations and the Ancillary Agreements.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF LMC

Except as set forth in the LMC Disclosure Letter delivered by LMC to Parent prior to the execution of this Agreement, LMC hereby represents and warrants to Parent as follows:

Section 5.1. Organization and Standing. LMC and each Stockholder is (a) a corporation, limited liability company or other legal entity duly organized, validly existing and duly qualified or licensed and in good standing under the Laws of the state or jurisdiction of its organization with full corporate or other power and authority to own, lease, use and operate its properties and to conduct its business, and (b) duly qualified or licensed to do business and in good standing in any other jurisdiction in which the nature of the business conducted by it or the property it owns, leases or operates requires it to so qualify, be licensed or be in good standing, except where the failures to be so qualified, licensed or in good standing have not had a Material Adverse Effect on LMC or any of the Stockholders, as the case may be.

Section 5.2. Corporate Power and Authority. LMC and each Stockholder has all requisite corporate or other power and authority to execute and deliver this Agreement and to consummate the Transactions. LMC and each Stockholder has all requisite corporate or other power and authority to execute and deliver the Ancillary Agreements and the other agreements, documents and instruments to be executed and delivered by it in connection with this Agreement, including the LMC Tax Opinion Representations, the Closing Certificates required by Sections 7.3.1 and 7.3.2, or the Ancillary Agreements and to consummate the Transactions.